

Approved May 24, 2011



Brian Head Town
2011-2012
Budget Retreat
April 7 & 8, 2011 @ 8:00 AM
 LaQuinta Inn
 91 E 2680 S
 St George, UT 84790

Thursday, April 7, 2011

8:00 a.m.

Welcome- Mayor H.C. Deutschlander
 Budget Review & Questions

Revenue/Expenditure projections and adjustments

- a) Administrative Fees and Shop Charges
- b) Steam Engine Meadows, town owned lots to be appraised/sold
- c) Bristlecone SID foreclosure discussion
- d) Use of internship opportunities for projects.
- e) Health insurance renewal period.
- f) Consolidated Fee Schedule Itemized discussion on possible increases/decreases.
- g) Funding town goals.

Lunch

Capital Project Requests (See Project List Table)

- a) Administration – Bryce Haderlie
- b) Public Safety- Gary Bulloch
- c) Public Works- Tom Stratton
- d) RDA Projects- Bryce Haderlie
- e) Council Projects (hold harmless)- Council

Dinner

Executive Session- Personnel Issues in accordance with Utah Code 52-4 for the purpose of discussing the character, professional competence, or physical or mental health of an individual.

Friday, April 8, 2011

8:00 a.m.

- a) Review changes to budget from prior day
- b) Review of General Ledger line items in Budget
- c) Public Safety Building- Timeline
- d) Truth in taxation process
- e) Public Safety building funding
- f) Other

Lunch

- g) Developing a budget policy plan
 - 1. Fund balance minimums and maximums
 - 2. Theory on allocation of enterprise funds to General Fund
 - 3. Preparing Capital Budgets (minimum \$ amount)
 - 4. Creating requests for discretionary spending outside of O&M
- h) Setting Course for the future

ADJOURNMENT**Dated the 5th Day of April, 2011**

Available to Board Members as per Resolution No. 347 authorizes public bodies, including the Town, to establish written procedures governing the calling and holding of electronic meetings at which one or more members of the Council may participate by means of a telephonic or telecommunications conference.

In compliance with the Americans with Disabilities Act, persons needing auxiliary communications aids and services for this meeting should call Brian Head Town Hall @ (435) 677-2029 at least three days in advance of the meeting.

CERTIFICATE OF POSTING

I hereby certify that I have posted copies of this agenda in three public and conspicuous places within the Town Limits of Brian Head; to wit, Town Hall, Post Office and The Mall on this 5th day of April, 2011 and have posted such copy on the Utah Meeting Notice Website and have caused a copy of this notice to be delivered to the Daily Spectrum, a newspaper of general circulation.

 Nancy Leigh, Town Clerk

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**Brian Head Town
2011-2012
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April 7 & 8, 2011 @ 8:00 AM**

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91 E 2680 S
St George, UT 84790

Thursday, April 7, 2011**Roll Call:****Members Present**

Mayor H. C. Deutschlander
Council Member Linda Ames
Council Member Jim Ortler
Council Member Hans Schwob

Staff Present:

Bryce Haderlie, Town Manager
Nancy Leigh, Town Clerk
Cecilia Johnson, Town Treasurer
Tom Stratton, Public Works Director

Gary Bulloch, Public Safety Director

WELCOME

Mayor Deutschlander called the annual budget retreat meeting to order at 8:00 a.m. and welcomed everyone to the retreat. Mayor Deutschlander encouraged all participants to be respectful when others are speaking in order to avoid confusion in the meeting.

BUDGET REVIEW & QUESTIONS**1. Budget Review & Questions**

This agenda item was addressed later in the meeting.

2. Revenue / Expenditure Projects and Adjustments**a. Administrative Fees and Shop Charges**

Bryce Haderlie, Town Manager, presented the proposed Administrative Charges for the General Fund (see attached). The administrative charges are funds transferred from the Water, Sewer and Solid Waste funds to the General Fund for their proportionate share of expenditures. Bryce requested direction from the Council on a policy of whether the administrative charges should be based on a percentage from each enterprise fund or if they would like to review the entire budget to determine if sufficient funds are identified for the administrative charge and then base the charge upon that determination.

Consensus of the Council: The town will stay with an analytical approach of allocating a proportional percentage from each enterprise fund towards the administrative charges.

The Council then held discussion on their desire for a five percent (5%) reduction in property taxes and the challenges they may be facing in balancing the budget for the 2011-2012 year.

b. Steam Engine Meadows, town owned lots to be appraised/sold

Bryce Haderlie, Town Manager, updated the Council on the town's foreclosure costs for the Steam Engine Meadows Special Improvement District (SID). In the 2010-2011 budget, the town has expended \$75,000.00 for costs related to the foreclosure of the properties. Bryce inquired if the Council is interested in disposing of the properties in order to recoup the costs from the foreclosure. Bryce went on to report that in speaking with an appraiser on the lots, the town could either sell the lots in bulk or individually if the Council is interested in selling the lots at this time.

The Council held discussion on the current economy and the market value of the properties at this time. Currently, the newly acquired lots have a SID assessment balance of \$27,358.00, which does not include any improvements to the lots; it only reflects the improvements that have already been made. Bryce went on to explain the town has also acquired the SID payment for two additional lots due to a technicality in which the two lots were to be taken out of the original SID and the developers were to be responsible for these two SID assessments. The developer, Griffin Holdings, has not paid the SID assessment to the town on these two lots and in consulting with legal, the town cannot foreclose on them and the town has been left with the assessment.

Consensus of the Council: Staff will prepare a projected a cost analysis for the eight lots including the two additional lots that should have been taken out of the SID. The analysis will include staff's time and staff will present to Council for review. No appraisal will be undertaken at this time.

c. Bristlecone SID foreclosure discussion

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Bryce Haderlie, Town Manager, updated the Council on the foreclosure process with M&I Bank and the FDIC, owners of the Bristlecone SID property. Bryce reported the title reports have been completed and in speaking with M&I Bank, they have indicated their intentions are to sell the lots. A discussion regarding a trail easement through the property was held, but M&I Bank is not interested in recording a trail easement through their property at this time.

The town currently has a two year bond agreement with Wells Fargo Bank which expires July 1, 2011 along with a bond payment of \$270,000.00. Staff has been working with Cody Deeter, Financial Advisor, to determine what the town's parameters are in working with Wells Fargo Bank. Staff is scheduled to meet with Wells Fargo Bank along with the Town's Financial Advisors and Town Attorney on April 27, 2011 and will report back to the Council.

Discussion was held regarding possible options for the town since the town is obligated to make the SID payment in July, 2011. Bryce reported that a foreclosure timeline has not been set due to issues regarding the FDIC's involvement in the property. Legal is currently working with the FDIC to determine what their interest in the property actually is.

Council Member Ames expressed her concerns regarding the amount of debt the town is obligated to pay and where the funds could come from in order to make the bond payment since M&I Bank has not met their obligation in making the annual bond payment to the town.

d. Use of internship opportunities for projects.

Bryce Haderlie, Town Manager, updated the Council on possible opportunities for the town in using interns from Southern Utah University (SUU) for upcoming town projects. Bryce inquired if the Council is interested in taking advantage of a college intern for completing GIS data on the town's trail system and obtaining easements and licensing for the town's trail system. Bryce explained that now would be the opportune time to advertise for an intern and to budget for a part-time person in June for an approximate cost of \$5,000.00 to \$8,000.00, (\$10.00 to \$11.00 per hour). The part-time person could also assist in locating water meters in town.

Discussion was held on the following items:

1. The part-time person would be a seasonal position for approximately 12 weeks at 40 hours per week.
2. Whether hiring an intern vs. a part-time person would be any more beneficial to the town.
3. Staff should also advertise for the position identifying a part-time person on the open market such as Workforce Services.
4. Whether the wireless internet goal could be addressed by the person hired.

Consensus of the Council: Staff will advertise for a seasonal person for the trails on the open market and also through the internship program for a 12-week position.

Wireless Internet Discussion

The Council held discussion on issues relating to the wireless internet goal/project. Staff updated the Council on the status of working with individuals in acquiring a hard cost for the internet throughout town. Gurr Computers notified staff of his difficulties in obtaining a cost for a tower and meeting the minimum requirements of the FCC. Council Member Schwob commented that he believes the town is competing with private enterprise when providing free wireless internet services.

Consensus of the Council: Staff will continue to work with South Central Communications and Gurr Computers to obtain a hard cost on the installation of wireless internet and report back to the Council.

The Council then discussed the issues surrounding cell phone providers and the obstacles guests face when coming to Brian Head. Mayor Deutschlander commented the town should not be the provider, but should be encouraging companies to provide their services in Brian Head. Bryce suggested the town hire a seasonal intern/part-time person who has expertise in the telecommunication field to assist the staff with completing the wireless internet issues.

Consensus of the Council: Staff will complete a draft Request for Proposals (RFP) for telecommunication services and present to Council for approval prior to the expenditures of any funds.

e. Health Insurance Renewal Period Discussion

Bryce Haderlie, Town Manager, explained the current insurance renewal process to the Council in which the insurance is based on a calendar year basis. Bryce explained that due to the amount of work the renewal process requires, it would remain in the town's best interest to keep the health insurance renewal period to a calendar year instead of changing to a fiscal year.

The town currently budgets a 12% increase during the budgeting process. During the 2010-2011, the town saw an increase of 9% in health insurance instead of the expected 12%. Bryce inquired if the Council is interested in creating a committee to work with staff in November/December to review the town's health insurance plans.

Consensus of the Council: The insurance renewal period will remain on a calendar year basis and when staff receives the information for renewal, staff will inform the Council who will determine whether a special meeting should be held to discuss the health insurance plan options for the town.

f. Consolidated Fee Schedule Itemized Discussion on Possible Increases/Decreases.

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The Council requested this agenda item be held off until the review of the expenditures and revenues in order to determine if an increase/decrease is needed in the Consolidated Fee Schedule.

g. Funding Town Goals

Bryce Haderlie, Town Manager, inquired if there were any additional town goals the Council would like to identify for the 2011-2012 budget year which may require funding. The Council stated they will address this item after the review of the revenues/expenditures of the budget before determining any additional goals that may need to be funded.

Gary Bulloch, Public Safety Director, updated the Council on the fire mitigation projects throughout the state. Gary reported the fire department will continue to work towards building shaded firebreaks on the outside boundaries of the town.

Cecilia Johnson, Town Treasurer, distributed a memorandum regarding the town hall parking lot project (see attached). Cecilia reported the spreadsheet identifies the actual costs for the parking lot and will verify that the unspent funds are transferred back to the original fund.

3. CAPITAL PROJECT REQUESTS (See Project List Table)

ADMINISTRATION DEPARTMENT

1. Town Hall Improvements/Landscaping (see attached). A request for \$5,000.00 for landscaping the Town Hall was presented. Bryce reported this project was identified in the 2010-2011 budget year, but due to budget restrictions the project was not completed. Discussion was held regarding staff working with Nancy Dalton, who has a list of native plants that will grow in Brian Head and completing the landscaping project. Bryce explained the labor for the landscaping would be completed in-house and the new Tree Commission has offered to use any remaining funds from their \$600.00 grant towards the landscaping project in the form of planting trees.

Consensus of the Council: The Town Hall Improvement/Landscaping will be identified in the current budget year 2010-2011 and will be completed prior to June 30, 2011. Discussion was held regarding irrigation systems to keep the plants from dying.

2. Wireless Internet for Brian Head Town (see attached). Staff reported that Gurr Computers has contacted the town regarding the installation of wireless internet for public use, and was unable to submit a cost at this time due to FCC restrictions on the number of towers required to be installed. Bryce explained the Council could wait until a Request for Proposals (RFP) is submitted for a seasonal telecommunication intern/part-time person and allow the employee to pursue the costs and requirements.

3. Tennis Courts (see attached). The Council reviewed the request and determined the town does not have the additional funds to construct a tennis court within town at this time.

4. Ice Skating Rink Request at a cost of \$200,000.00 (see attached). The Council determined this project would be a low priority for the town and also had concerns on the operation and maintenance of the skating rink in Brian Head.

5. Town Pavilion Improvements Request (see attached). Bryce explained this project was identified in the 2010-2011 budget, but due to budget restrictions the project was not completed. Bryce explained that PAR taxes could be identified for the recycling cans since the town is required to spend the PAR tax funds within five years of receiving them. Council Member Fausett inquired as to why the recycling cans are not identified in the solid waste fund under recycling instead of the general fund.

Consensus of the Council: Approve \$6,300.00 in the 2010-2011 current budget year.

6. Pavilion Landscaping Request (see attached). Mayor Deutschlander reported the Brian Head Tree Commission will be planting two trees at the Town Pavilion this year in celebration of Arbor Day. Discussion centered on a watering system for the trees along with possible options to cover the red dirt that was placed at the pavilion during construction.

Consensus of the Council: Staff will submit proposals to the Council for their review and will put forth their best efforts to keep the cost below \$5,000.00.

7. Public Safety Banked Holiday Pay (see attached). Cecilia Johnson, Town Treasurer, explained that over the past 15 years, the Public Safety Officers have traditionally banked their holiday pay until the town adopted the new Employee Policy Manual, in which any holiday pay is to be paid out during that pay period. Due to the amount of prior banked holiday pay, it has become a liability to the town. Discussion was held regarding the issues surrounding banked holiday pay in which an officer may have accumulated their holiday at one rate of pay and then over the years received pay raises, the town is obligated to pay the holiday pay out at the current employee's rate of pay.

Consensus of the Council: Approved the submitted document identifying a five year payout to the Public Safety employees in order to reduce the liability to the town.

PUBLIC SAFETY DEPARTMENT

Public Safety vehicle request (see attached). Gary Bulloch, Public Safety Director, explained that due to budget restrictions, the department has not purchased a patrol vehicle in this budget year. Discussion was held regarding

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the annual rotation of the public safety vehicles and a possible option to identify a different rotation schedule in which a vehicle accumulates at least 80,000 miles before purchasing a new vehicle. Gary went on to report the Dodge trucks have received a large amount of repairs, but are the lowest price on the state bid and whether the Council and staff should consider the overall costs of operating in the selection of vehicle.

Consensus of the Council: Staff will wait until the oldest vehicle hits 80,000 miles and then purchase a new vehicle at that time. Staff will also complete an evaluation with other agencies to determine if changing the type of make such as Ford or Chevy could benefit the town in saving repair costs.

PUBLIC WORKS DEPARTMENT

1. Falcon Court Road Improvement for fire mitigation and survey the widths of the road request (see attached). Tom Stratton, Public Works Director, explained he would like to improve a problematic town road every year and schedule it for improvements during the summer season. Tom explained that Falcon Court Road had snow removal issues due to the width of the road and the heavy equipment had difficulties in moving snow within confined area of the road.

Consensus of the Council: Approved for \$15,000.00 for the Falcon Court Road Improvements.

2. Town Road Maintenance Program Request (see attached). This item was deleted from the Capital Improvement Request since it is already identified in the 2011-2012 budget under streets for \$100,000.00 (\$85,000 for road maintenance and \$15,000 for culvert work).

3. Electrical Repair of the Existing Maintenance Shop (see attached). Tom reported this request is in relation to the Rocky Mountain Power study that was completed for possible energy savings to the town. Rocky Mountain Power will contribute money for the implementation of the lights in the maintenance shop. The town has identified \$7,363.00 for lights and Rocky Mountain will contribute \$2,294.00 towards the lights.

Consensus of the Council: Approved to implement the Rocky Mountain Power energy savings program in order to see a long term savings to the town.

4. Copier/ scanner Request (see attached). Council determined this request was a low priority at this time, but may review it at a later date if the town has sufficient funds.

5. Cold Storage Building Repairs (see attached). Tom explained this request has been submitted to Council annually since 2008. Tom updated the Council on the status of the cold storage building in which the garage doors are damaged and/or inoperable; issues with the Forest Service since the building is located on Forest Service property; and the current floor which is dirt/gravel. Discussion was held regarding the reconfiguration of the garage building in which the doors facing north could be sealed off completely and two new garage doors on the east side of the building could be constructed. The first priority would be to pour a concrete floor prior to addressing the reconfiguration of the doors. The building could be completed in three phases with the fourth phase as a completed phase.

Consensus of the Council: Staff will request proposals for three different phases of construction with costs identified for each phase and present to Council for approval. The pouring of cement floor will be identified as part of the first phase of construction. Funds will be identified using the allocation from the water/sewer/solid waste funds.

6. Water Leak Detection Request (see attached). Tom updated the Council on the numerous water leaks in the Woodbridge Subdivision area, in which the crews have been unable to detect where the leaks are coming from. The town is currently losing approximately 250 gallons per minute in this area and staff believes the leaks could be in the distribution line. A leak detection company would be able to spend the time to determine where the leaks may be.

Consensus of the Council: Approved the project, funds will be identified from the Water Fund in the current year.

7. Water meter Valve Locating Request (see attached). Tom explained this project would consist of purchasing materials and hire a part-time employee who could locate and mark the water meters in town. A person with GPS experience would be preferable for the locating of the water meters. A picture and information would then be exported into the Elements program for the Public Works use. If staff is unable to hire a part-time person, then a trail crew employee could be used for locating the water meters along with the assistance from the Public Works crew.

Consensus of the Council: Approved for \$5,000.00 for materials and staff will identify labor in other areas.

8. Existing pump house upgrade Request (see attached). Tom explained this is the same program with Rocky Mountain Power for the maintenance shop, but they have completed their assessment on the town's well houses and tanks. Rocky Mountain Power will contributed \$860.00 towards the \$2,000.00 total cost for the implementation.

Consensus of the Council: Project Approved and funds will be identified out of the Water Fund.

9. Bulk water distribution Tank Request (see attached). Tom presented photos of a bulk water distribution system and updated the Council on the issues the town is facing regarding the public taking the bulk water without paying for it. Discussion was held regarding a location for the system and the timeline in which it would need to be installed.

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Consensus of the Council: Project Approved. Staff will complete a Request for Proposals (RFP) for the system and the bulk water distribution will be located in the parking lot of the Town Hall until determined otherwise. Staff will also investigate the option if the system can be used without the small building that it sits in so that it may be incorporated into the new Public Safety Building. Council requested staff to submit the RFP as soon as possible in order to meet the public demand for water by Memorial Day weekend.

10. Trail Groomer Request (see attached). The Council determined this request was not a priority for this year and may discuss it at a later date.

11. Trail Crew Vehicle Repair Request (see attached). Tom updated the Council on the condition of the trail crew's vehicle in which the utility bed is deteriorating at a rapid rate. Tom explained he would like to replace the interior and bring the vehicle up to a use for the crews.

Consensus of the Council: Project Approved. Staff will keep the expenses as low as possible.

The Council recessed for lunch at 11:33 am. The Council then reconvened the meeting at 12:03 p.m.

Mayor Deutschlander updated the Council on the Iron County Coordinating Council meeting held yesterday in Cedar City. One item of discussion was a report from Charlie Morris on the Snowtel telecommunication site in which the snow totals are lower than the 2005 winter season. There may be a minor possibility of flooding this year, but due to the preventative measures taken by the City and County, there should not be much of a flooding issue.

4. BRIAN HEAD REDEVELOPMENT PROJECT DISCUSSION

Bryce Haderlie, Town Manager, requested direction from the Council/Board on whether to proceed with the lighting project identified by the RDA Board in 2010. Bryce then updated the Council/Board on information that has been obtained from companies regarding a street lighting project.

The RDA currently has \$202,000 in the RDA budget and has received \$170,000 last year and \$270,000 this year for the CDA projects.

Discussion was held regarding the projects the RDA has identified in the CDA project area plan. The Council discussed the possibility of identifying underground power lines instead of the street lighting project.

Consensus of the Council: Staff will obtain a firm cost per foot for burying the power lines and report back to Council for discussion.

5. COUNCIL PROJECTS (HOLD HARMLESS AGREEMENT WITH THE STATE)

Bryce Haderlie, Town Manager, gave a brief history of the town's hold harmless agreement with the State.

Currently, the town receives \$127,000 annually from sales taxes based on an agreement with the state. This agreement will sunset in 2013 and due to the low Census count the town received this year, it could negatively impact the sales tax distribution to Brian Head after 2013.

Consensus of the Council: A committee consisting of Mayor Deutschlander, Council Member Ortler, Nancy Leigh and Gary Bulloch will meet to determine if an appeal to the Census Bureau regarding Brian Head's population should be pursued. Staff will continue to work with other communities who also have a hold harmless agreement with the State.

A brief discussion took place regarding the water fixture units and the town attorney's opinion on the matter. Staff will research for a document that the previous Building Official created on the number of fixture units on the resort's properties and update the Council at a later date.

BUDGET REVIEW & QUESTIONS

GENERAL FUND REVIEW

Cecilia Johnson, Town Treasurer updated the Council on some errors that are on the budget sheets that she is aware of and will update the following budget lines:

1. GL#3680: Pavilion/Town Rentals. No revenue was budgeted for. Will identify \$1,000.00 in GL#3680
2. GL#4220.240: Fire Office Supplies: No budget amount identified: Change to \$400.00.

The Council then reviewed the General Ledger lines for Revenue & Expense in the General Fund with the following changes to be made:

Revenue:

1. GL#3110: Property Taxes: Discussion was held regarding a potential reduction of 5% . Change to \$750,000.00
2. GL#3153: Resort Taxes: Change to \$220,000.00
3. GL#3220: Shuttle Fee: Change to \$178,000.00
4. GL#3200: Personal Property Taxes: Cecilia updated the Council on the deadline date change from April until May before the town receives the Personal Property Taxes from the County.

Expenditures:

1. Bryce reported he has now identified 25% of his wages towards the building department in order to comply with state requirements since he is now conducting inspections for the town.

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2. GL# 4140.245: Admin - Bank Charges: Change to \$600.00. Credit card charges for the retail fuel have been moved to the retail fuel expenditures.
3. GL#4140.540: Admin – Promotions/Donations: Change to \$13,500.00
4. GL#4145.310: Legal – Prof/Tech Services: Change to \$15,000.00
5. GL#4160.130: Building – wages – 25% of Bryce’s wages are identified.
6. GL#4160.140: Building – Unemployment. This GL# will be moved to the Administration line in order to cover any unemployment expenditures to the town.
7. GL4210.130: Police – Benefits: Cecilia explained she is currently tracking all of the overtime expenses on a separate sheet in order to reflect a clear picture of overtime costs.
8. GL#4210.250: Police – Supplies/Maintenance: Funds have been identified for light bars for the new patrol vehicle.
9. GL#4220.700: Fire – Fire Mitigation: Change to \$1,000.00
10. GL#4410.130: Streets – Benefits: Cecilia will verify the amount identified (amounts are higher than what the wages are from last year).
11. GL#4410.290: Streets – Skier Bridge: Change to \$2,500.00. The Resort will be paying one-half of the maintenance costs for the Bridge.
12. GL#4440.290: Shop – Telephone: Staff will cancel the maintenance shop land line and will reduce the cost over the next budget year.
13. GL#4560.621: Recreation-Beautification: Change to \$500.00
14. Discussion was held regarding the Scenic Byway request for funds for trail head signage. Amounts are unknown at this time, but Mayor Deutschlander will follow-up and present the request at a later date when information becomes available.

The Council then recessed for a break at 2:20 p.m. The Council reconvened the special meeting at 2:32 p.m.

MISCELLANEOUS DISCUSSION ITEMS

15. Discussion was held regarding possible refinancing options on the Bristlecone SID issue in which staff will be working with the Town’s Financial Advisor and Town Attorney and will report back to the Council.
16. Utah Department of Transportation (UDOT) has identified grant funds in the amount of \$5,000.00 towards fire mitigation. UDOT is also looking at a project for a traffic lane coming up Parowan Canyon for highway 143 along with a runaway truck ramp. The town may receive a request from UDOT for property for the runaway ramp.
17. UDOT has approved the trail along highway 143 from the south maintenance road along the highway to the Brian Head Peak road for ATV trail access. Tom updated the Council on the possibility of UDOT granting temporary access for ATV’s from the Dry Lake entrance on highway 143 to the 2nd Left Hand Turn by Yankee Meadows road until the Forest Service completes their studies on the proposed ATV route east of Brian Head Peak to Sydney Valley road.

WATER FUND REVIEW

1. Cecilia presented a four year projection on the current water rates (see attached). Cecilia reported the town would need to adjust water rates in order to meet the town’s obligation with USDA and inflation.
2. GL#4751.4845 – Transfer to Capital Projects: The general fund will receive \$21,000.00 back from the savings in the town hall parking lot construction.
3. GL#3718: Water Revenue: Change to \$1,010,000.00
4. GL#4751.250: Water – Supplies/Maintenance: Tom Stratton, Public Works Director, explained that staff will be starting an inventory system that will be maintained through the Elements Program. Change to \$24,000.00
5. GL# will be identified for Water Revenue for Resort Water Pumping Fee and a budget of \$30,000.00 will be identified.
6. GL#4751.310: Water – Professional Tech Services: Change to \$5,000.00.
7. GL#4895- Snowmaking: \$13,460.00 will be removed from the water fund.
8. The payment for the dump truck will be taken out of the Water Fund and identified in the Shop Fund

The Council held discussion regarding a possible short fall of \$102,540.00 in the water department. Cecilia referred to Cody Deeter’s memo dated June, 2010 in which his recommendation was to raise the water rates annually by 3% which has not been adopted by Council. A 3% increase in the water rates would bring the residential water rate from \$60.00 to \$61.80. A discussion regarding reimbursements for labor back to the town from USDA was held in the amount of \$40,000.00 for employees working on the USDA projects.

Commercial Water Allocation Discussion. The Council held discussion regarding the allocating of a minimum amount of water to the commercial businesses with their monthly base rate. Currently, the residential customer receives 5,000 gallons of water with their base water rate and the commercial businesses pay a base rate and then is charged for the amount of water used.

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Consensus of the Council: Commercial businesses will receive a 5,000 gallon allocation with the monthly base rate.

SEWER FUND

1. GL#3749: Sewer – Uncollectable Revenue: Eliminate GL#3749.
2. GL#3733: Sewer – Connection Fees: Change to \$2,000.00
3. GL#4752-4872: Transfer to Sewer Impact Fees:– Staff will identify amount for sewer impact fees

SOLID WASTE FUND

Discussion was held regarding a reduction of sewer and solid waste fees by \$1.00 each and increasing the water rates by \$2.00.00 in order to remain expense neutral.

Discussion was also held regarding a location for a maintenance building in Parowan. Currently the town houses the garbage truck and sewer truck in Parowan City yard. One suggestion was given as to using the existing fire station bay area when it is taken down and to use that to house the town's vehicles.

Consensus of the Council: Staff will research the cost for a possible location for a shop in Parowan.

Council directed staff to move the agenda item concerning wages as the first item on the agenda for tomorrow morning.

Council recessed the special meeting of the Brian Head Town Council at 5:10 pm until 8:00 am. on April 8, 2011.

Friday, April 8, 2011

Executive Session- Personnel Issues in accordance with Utah Code 52-4 for the purpose of discussing the character, professional competence, or physical or mental health of an individual.

Motion: Council Member Fausett moved to enter into closed session to discuss the character, professional competence, or physical or mental health of an individual. Council Member Ortler seconded the motion.

Action: **Motion carried 5-0-0, roll call vote (summary: Yes=5 Vote: Yes: Mayor Deutschlander, Council Member Ames, Council Member Ortler, Council Member Fausett, Council Member Schwob).**

The Brian Head Town Council entered into closed session at 8:05am.

Motion: Council Member Ames moved to adjourn from closed session and reconvene the special meeting of the Town Council. Council Member Ortler seconded the motion.

Action: **Motion carried 5-0-0, roll call vote (summary: Yes=5 Vote: Yes: Mayor Deutschlander, Council Member Ames, Council Member Ortler, Council Member Fausett, Council Member Schwob).**

The special meeting of the Brian Head Town Council was reconvened at 10:46 am.

REVIEW CHANGES TO BUDGET FROM PRIOR DAY

The Council reviewed the budgeted items that were discussed in the previous day meeting with the following changes:

1. Water rates will reflect a \$2.00 increase. Staff will verify the USDA monthly payment and report back to Council.
2. Sewer rates will reflect a \$1.00 decrease for eru's.
3. Solid Waste rates will reflect a \$1.00 decrease.
4. Village Way Sewer Line Repairs: Tom updated the Council on the USDA sewer loan/grant application for sewer improvements in town. One item of discussion was the sewer line issues in Village Way and the installation of the new Bearflat well and the well protection zone. Public Works crews will be working on repairs this summer.
5. Bryce reviewed the changes identified by Council for the administrative charges from the water/sewer/solid waste funds and the impact on the General Fund.

REVIEW OF GENERAL LEDGER LINE ITEMS IN BUDGET

Council directed staff to verify the budget changes and to update the proposed budget. Council will review the proposed budget at a future Council meeting.

PUBLIC SAFETY BUILDING TIMELINE

Bryce updated the Council on the Public Safety Building project. A mandatory meeting will be held on April 18, 2011 for those interested parties who are interested in submitting a proposal for the Public Safety building. Proposals will be submitted on April 29, 2011 and a committee will be reviewing the submitted proposals on May 2, 2011, and will make a recommendation to the Council. The Council has identified April 26, 2011 as the date to review the Public Safety Building survey results during their regular meeting.

TRUTH IN TAXATION PROCESS

Bryce inquired if the Council was interested in going through the truth in taxation process for this budget year.

Consensus of the Council: No truth in taxation process will be identified this year.

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PUBLIC SAFETY BUILDING FUNDING

Bryce updated the Council on possible options for funding the Public Safety Building project. A public hearing is scheduled for April 12, 2011 by the Municipal Building Authority. Mayor Deutschlander requested staff verify with legal on the timelines for the process and distribute to Council.

Possible options for funding:

1. First payment would be identified in 2013, in which the Council has two years to make a decision.
2. The annual payments would be approximately \$122,000 if the town were to use the entire 2.6 million dollars.
3. Gary updated the Council on other funding options such as the Forest Service. Gary reported the Forest Service has indicated they are not interested in providing any type of funding for the project. Staff has not contacted Iron County with any funding requests for this project, but has contacted USDA regarding the project. Mayor Deutschlander requested staff speak with Iron County Commissioner Adams to determine what the County Commission may feel.
4. Discussion on a fire district creation and if it would be beneficial to Brian Head.

Council Member Ames was then excused from the meeting at 11:36 am.

Council recessed the special meeting at 11:40 a.m. for lunch. The special meeting was reconvened at 12:18 p.m.

DEVELOPING A BUDGET POLICY PLAN. The Council did not discuss this agenda item.

FUND BALANCE MINIMUMS AND MAXIMUMS

Bryce explained that during a recent training from Neil Duncan from Pelorus, which he, the Mayor and Cecilia attended, it was brought to the town's attention the town should be maintaining a fund balance. Bryce reported he will follow up with Pelorus and report back to the Council.

THEORY ON ALLOCATION OF ENTERPRISE FUNDS TO GENERAL FUND

This item was discussed earlier in the meeting. Staff will update and report back to Council with new information. Staff will be identifying information in a form of a policy for future use.

PREPARING CAPITAL BUDGETS. The Council did not address this item.

CREATING REQUEST FOR DISCRETIONARY SPENDING OUTSIDE OF O&M. The Council did not address this item.

SETTING THE COURSE FOR THE FUTURE. The Council did not address this item.

ADJOURNMENT

Motion: Council Member Schwob moved to adjourn the special meeting of the Brian Head Town Council for April 8, 2011. Council Member Fausett seconded the motion.

Action: **Motion carried 4-0-0 (summary: Yes = 4 Vote: Yes:** Mayor Deutschlander, Council Member Schwob, Council Member Ortler, Council Member Fausett. **Absent:** Council Member Ames).

The special meeting of the Brian Head Town Council was adjourned at 12:35 p.m. for April 8, 2011.

May 24, 2011

Date Approved

Nancy Leigh, Town Clerk